Benchmark Cable Rates When Municipal and Short-term Competitive Franchises Are Excluded

Systems with 10,000 subscribers, 5 to 24 channels: Prices per Channel

Satellite	Total c	hannel	s on reg	gulated	tiers												_				Satellite
Channels	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Channels
0	\$2.516	\$2.150	\$1.882	\$1.677	\$1.515	\$1.383	\$1.274	\$1.182	\$1.103	\$1.035	\$0.975	\$0.922	\$0.875	\$0.833	\$0.795	\$0.760	\$0.729	\$0.700	\$0.674	\$0.650	7 o
1	\$2.516	\$2.150	\$1.882	\$1.677	\$1.515	\$1.383	\$1.274	\$1.182	\$1.103	\$1.035	\$0.975	\$0.922	\$0.875	\$0.833	\$0.795	\$0.760	\$0.729	\$0.700	\$0.674	\$0.650	1
2	\$2.757	\$2.355	\$2.062	\$1.838	\$1.660	\$1.516	\$1.396	\$1.295	\$1.208	\$1.134	\$1.068	\$1.010	\$0.959	\$0.912	\$0.871	\$0.833	\$0.799	\$0.767	\$0.738	\$0.712	2
3	\$2.908	\$2.485	\$2.175	\$1.938	\$1.751	\$1.599	\$1.473	\$1.366	\$1.275	\$1.196	\$1.127	\$1.066	\$1.011	\$0.963	\$0.919	\$0.879	\$0.843	\$0.809	\$0.779	\$0.751	3
4	\$3.021	\$2.581	\$2.259	\$2.013	•		•		•	•	•		•		\$0.954	\$0.913	\$0.875	\$0.841	\$0.809	\$0.780	4
5	\$3.111	\$2.658	\$2.327	\$2.073	\$1.873	\$1.710	\$1.575	\$1.461	\$1.364	\$1.279	\$1.205	\$1.140	\$1.082	\$1.030	\$0.983	\$0.940	\$0.901	\$0.866	\$0.833	\$0.803	5
6		\$2.722	•	\$2.124	•	•	•	•	•	•		•	•	•		\$0.963	\$0.923	\$0.887	\$0.854	\$0.823	6
7			\$2.432	\$2.167	\$1.958	\$1.788	\$1.646	\$1.527	\$1.425	\$1.337	\$1.260	\$1.191	\$1.131	\$1.076	\$1.027	\$0.983	\$0.942	\$0.905	\$0.871	\$0.840	7
8	ļ			\$2.206	•				•	•	-			•	\$1.045		\$0.959	\$0.921	\$0.887	\$0.855	8
9					\$2.024	\$1.848	\$1.702	\$1.579	\$1.473	\$1.382	\$1.302	\$1.232	\$1.169	\$1.113	\$1.062	\$1.016	\$0.974	\$0.936	\$0.900	\$0.868	9
10						\$1.874				•	•	•	•	•	\$1.077				\$0.913	\$0.880	10
11							\$1.748								\$1.090				\$0.925	\$0.891	11
12								\$1.640	\$1.530	\$1.436	\$1.353	\$1.279	\$1.214	\$1.156	\$1.103	\$1.055	\$1.012	\$0.972	\$0.935	\$0.901	12
13									\$1.547	\$1.451	\$1.367	\$1.293	\$1.227	\$1.168	\$1.115	\$1.066	\$1.022	\$0.982	\$0.945	\$0.911	13
14										\$1.465	-	•	-	•	\$1.125		•		\$0.954	\$0.920	14
15											\$1.393	\$1.317	\$1.250	\$1.190	\$1.136	\$1.087	\$1.042	\$1.001	\$0.963	\$0.928	15
16												\$1.329	\$1.261	\$1.200	\$1.145	\$1.096	\$1.051	\$1.009	\$0.971	\$0.936	16
17	j												\$1.271	\$1.210	\$1.155	\$1.105	\$1.059	\$1.017	\$0.979	\$0.944	17
18														\$1.219	\$1.163	\$1.113	\$1.067	\$1.025	\$0.987	\$0.951	18
19															\$1.172	\$1.121	\$1.075	\$1.032	\$0.994	\$0.958	19
20																\$1.129	\$1.082	\$1.039	\$1.000	\$0.964	20
21																	\$1.089	\$1.046	\$1.007	\$0.970	21
22	1																	\$1.053	\$1.013	\$0.976	22
23																			\$1.019	\$0.982	23
24																				\$0.988	24
	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
	Total c	hannel	s on red	gulated	tiers																

Note: Benchmarks derived by re-estimating the FCC benchmark equation from the FCC sample, excluding franchises served by a municipally-owned cable system and franchises characterised by competition that has persisted 5 years or less.

Benchmark Cable Rates When Municipal and Short-term Competitive Franchises Are Excluded

Systems with 1,500 subscribers, 25 to 100 channels: Prices per Channel

Satellite	Total c	hannel	s on reg	gulated	tiers											·	Satellite
Channels	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	Channels
0	\$0.630	\$0.538	\$0.471	\$0.420	\$0.379	\$0.346	\$0.319	\$0.296	\$0.276	\$0.259	\$0.244	\$0.231	\$0.219	\$0.208	\$0.199	\$0.190	 T 0
5	\$0.779	\$0.665	\$0.582	\$0.519	\$0.469	\$0.428	\$0.394	\$0.366	\$0.341	\$0.320	\$0.302	\$0.285	\$0.271	\$0.258	\$0.246	\$0.235	5
10	\$0.853	\$0.729	\$0.638	\$0.569	\$0.514	\$0.469	\$0.432	\$0.401	\$0.374	\$0.351	\$0.330	\$0.313	\$0.297	\$0.282	\$0.269	\$0.258	10
15	\$0.900	\$0.769	\$0.673	\$0.600	\$0.542	\$0.495	\$0.456	\$0.423	\$0.394	\$0.370	\$0.349	\$0.330	\$0.313	\$0.298	\$0.284	\$0.272	15
20	\$0.935	\$0.799	\$0.699	\$0.623	\$0.563	\$0.514	\$0.473	\$0.439	\$0.410	\$0.384	\$0.362	\$0.342	\$0.325	\$0.309	\$0.295	\$0.282	20
25	\$0.963	\$0.822	\$0.720	\$0.642	\$0.580	\$0.529	\$0.487	\$0.452	\$0.422	\$0.396	\$0.373	\$0.353	\$0.335	\$0.319	\$0.304	\$0.291	25
30	ĺ	\$0.842	\$0.738	\$0.657	\$0.594	\$0.542	\$0.499	\$0.463	\$0.432	\$0.405	\$0.382	\$0.361	\$0.343	\$0.326	\$0.311	\$0.298	30
35			\$0.753	\$0.671	\$0.606	\$0.553	\$0.510	\$0.473	\$0.441	\$0.414	\$0.390	\$0.369	\$0.350	\$0.333	\$0.318	\$0.304	35
40				\$0.683	\$0.617	\$0.563	\$0.519	\$0.481	\$0.449	\$0.421	\$0.397	\$0.375	\$0.356	\$0.339	\$0.324	\$0.310	40
45					\$0.626	\$0.572	\$0.527	\$0.489	\$0.456	\$0.428	\$0.403	\$0.381	\$0.362	\$0.344	\$0.329	\$0.314	45
50	•					\$0.580	\$0.534	\$0.495	\$0.462	\$0.434	\$0.409	\$0.386	\$0.367	\$0.349	\$0.333	\$0.319	50
55	İ						\$0.541	\$0.502	\$0.468	\$0.439	\$0.414	\$0.391	\$0.371	\$0.354	\$0.337	\$0.323	55
60	ľ							\$0.507	\$0.474	\$0.444	\$0.419	\$0.396	\$0.376	\$0.358	\$0.341	\$0.326	60
6 5									\$0.479	\$0.449	\$0.423	\$0.400	\$0.380	\$0.361	\$0.345	\$0.330	65
70										\$0.453	\$0.427	\$0.404	\$0.383	\$0.365	\$0.348	\$0.333	70
75											\$0.431	\$0.408	\$0.387	\$0.368	\$0.351	\$0.336	75
80	1											\$0.411	\$0.390	\$0.371	\$0.354	\$0.339	80
85										,			\$0.393	\$0.374	\$0.357	\$0.342	85
90	ł													\$0.377	\$0.360	\$0.344	90
95															\$0.363	\$0.347	95
100	!															\$0.349	100
	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	
	Total c	hannel	s on reg	gulated	tiers												

Note: Benchmarks derived by re-estimating the FCC benchmark equation from the FCC sample, excluding franchises served by a municipally-owned cable system and franchises characterised by competition that has persisted 5 years or less.

Benchmark Cable Rates When Municipal and Short-term Competitive Franchises Are Excluded

Systems with 10,000 subscribers, 25 to 100 channels: Prices per Channel

Satellite	Total o	hannel	s on reg	gulated	tiers													Satellite
Channels	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100		Channels
0	\$0.627	\$0.536	\$0.469	\$0.418	\$0.378	\$0.345	\$0.318	\$0.295	\$0.275	\$0.258	\$0.243	\$0.230	\$0.218	\$0.208	\$0.198	\$0.190		┦ 。
5	\$0.775	\$0.662	\$0.580	\$0.517	\$0.467	\$0.426	\$0.393	\$0.364	\$0.340	\$0.319	\$0.300	\$0.284	\$0.270	\$0.257	\$0.245	\$0.234		5
10	\$0.850	\$0.726	\$0.635	\$0.566	\$0.512	\$0.467	\$0.430	\$0.399	\$0.372	\$0.349	\$0.329	\$0.311	\$0.295	\$0.281	\$0.268	\$0.257		10
15	\$0.896	\$0.766	\$0.670	\$0.597	\$0.540	\$0.493	\$0.454	\$0.421	\$0.393	\$0.368	\$0.347	\$0.328	\$0.312	\$0.297	\$0.283	\$0.271		15
20	\$0.931	\$0.795	\$0.696	\$0.620	\$0.560	\$0.512	\$0.471		•	\$0.383	•	\$0.341	•	•	\$0.294	\$0.281		20
25	\$0.959	\$0.819	\$0.717	\$0.639	*		•		-	-	•	\$0.351	\$0.333	\$0.317	\$0.303	\$0.290		25
30	İ	\$0.839	\$0.734	\$0.654	\$0.591	\$0.540	\$0.497	\$0.461		-	\$0.380	\$0.360	\$0.341	\$0.325	\$0.310	\$0.297		30
35	ļ		\$0.750	\$0.668		•	\$0.507		\$0.439	•	\$0.388		\$0.348	•	•	\$0.303		35
40				\$0.680		•	\$0.516	•			•	•	•	•		•		40
45					\$0.624	\$0.569	• • •	\$0.487		•			\$0.360	•	\$0.327	•		45
50						\$0.577	•	•	\$0.460		\$0.407		\$0.365	•	•			50
55	i						\$0.539		•		•		\$0.370	•	•			55
60								\$0.505		•			\$0.374			•		60
65									\$0.477		•		\$0.378	•	•	*		65
70	<u> </u>									\$0.451	•	-	\$0.382	•	\$0.347	·		70
75	İ										\$0.429		\$0.385	-	\$0.350	•		75
80	1											\$0.409	\$0.389			• -		80
85													\$0.392	\$0.373	-	•		85
90														\$0.376	\$0.359			90
95 100	Į.														\$0.361	\$0.345 \$0.348		95 100
100																\$0.040		100
	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100		-

Note: Benchmarks derived by re-estimating the FCC benchmark equation from the FCC sample, excluding franchises served by a municipally-owned cable system and franchises characterised by competition that has persisted 5 years or less.

Appendix B

Tests to Define "Short-Term" Competition

Boundary between "Short-" and "Long- Term" Competition	Explanatory Power of Equation
(Years)	(R-squared)
1	56.3
2	56.6
3	58 .0
4	59.0
5	67.9
6	66.0
7	60.9
8	60.9
9	60.9
10	60.9